

MONTHLY PROJECT UPDATE

August 9, 2021

This is the monthly project update of the Merchant Protocol, Merchant Gateway and the Merchant Token. This project update is distributed via the merchant token app and twitter via @merchant_token monthly, but not necessarily on the same date each month. The purpose of this document is to keep Merchant Token holders updated on the project status.

ICO Token Distributions

In total we had over 200,000 ICO accounts created. Around 50% of the created accounts have transactions and MTO tokens allocated to them. Around 60,000 of the accounts are eligible to receive tokens from the ICO and all those tokens have now been distributed. The rest of the accounts are invalid in some way (missing KYC, invalid withdrawal address) or in micro balances.

Token distributions is therefore considered finished with a handful of exceptions that have open support tickets.

Burning event

7.5 million unsold tokens in the MTO ICO will be burned and removed from the total supply of 100 million tokens. The new total supply will be 92.5 million tokens. The burning date is scheduled to September 1st 2021.

Exchange listing

The management team and the legal team are working together with an external consulting firm behind the scenes for a global exchange listing.

To be able to list in multiple markets (global listing); the exchanges require incorporation in a country that covers the law for each market. In EU this is a simple task since one jurisdiction can passport services to other within the laws of EU. However, in the rest of the world it's a bit trickier.

The preliminary listing for August is not feasible due to the fact that some of the jurisdictions where we need to incorporate have not even registered our incorporation yet. We also want to run an ad campaign for at least 3 weeks prior to listing to make sure we have great attention and to make the most out of the listing.

The plan now is to push forward as fast as we can and hopefully aim for a listing end of September. There will also be a voting in the app for all MTO holders, where



you can vote if you want us to list EU as soon as possible or wait for all jurisdictions to be ready for a global listing. The voting date will be announced in the app and on twitter.

Development and MVP

Our core technical team is working on an MVP that we want to demonstrate in October for POS terminals on the blockchain. This is also a product that will go out in beta for taxis in Scandinavia and UK in late Q4.

A new team of developers are starting on the Merchant Gateway and Merchant Protocol in the middle of August and the plan is to have an MVP of the dispute contracts in Q1 2022.

Partnerships

We have a few interesting partnerships that are signed but not yet announced. They are mainly in the POS space, a space where HIPS has many partnerships and contacts that will help the rollout of the merchant protocol. Keep an eye for those announcements which will be published via twitter.

Acquisitions

To ensure quick speed to market, the management of HIPS have decided to acquire at least one existing crypto wallet solution with an existing customer base. All transactions through such wallet will automatically be routed via the merchant gateway using the merchant protocol, if the merchant is enrolled.

Two different companies have been identified, and there are ongoing discussions since beginning of August.

It is also decided that HIPS will invest in other crypto wallets with potential, if they automatically route transactions via the merchant gateway using the merchant protocol, if the merchant is enrolled.

This will ensure market adoption of the merchant gateway and protocol.

END OF UPDATE

If you have any questions regarding merchant token, the merchant gateway or merchant protocol, feel free to contact support@merchanttoken.org